



Middletown Water Operating Committee

Meeting April 23, 2024, 10:00 am EST

Meeting held via Google Meet/Telephone

Committee Members:

Ken Klinepeter (Middletown Borough)
Don Correll (WC Partners)
Dan Sugarman (WC Partners)
Jason Kiernan (Veolia)
Kodi Webb (Veolia)

Justin Mendinsky (HRG)
Michael Winfield (Post and Schell)
Jennifer Miller (Middletown Borough)
Bradley Pensyl (Allen & Overy)
Ken Bonn (Argo)
Shuang Li (Argo)
Angelo Margiolas (Veolia)
Jagruti Patel (Veolia)
Annmarie Rutigliani (Veolia)
Kelly Weaver (Veolia)

Additional:

John Joyner (WC Partners)

1. Introductions/Opening Comments

After a roll call, Ms. Webb called the meeting to order. A PowerPoint presentation was presented.

2. Operations Update

Ms. Webb started the meeting by introducing the agenda.

Ms. Webb stated that Veolia had several accomplishments since the last Operating Committee meeting including completing the annual valve turning and repairing the Smart Cover on the interceptor. The SRBC Well 6 docket renewal was submitted to the Susquehanna River Basin Commission and Veolia is currently waiting for feedback. Veolia worked with HRG and ARM Group to justify a higher flow request from Well 6 to ensure adequate flow to meet demand in the system. The small meter replacement project has commenced and the Earth Day Clean up took place on April 22. Veolia has also returned Well 4 to service and the end bearing was installed on the Oxidation Ditch which was down and inoperable.

Ms. Webb stated that the past few months were quiet with no main breaks or service leaks. Veolia repaired three valve boxes and completed five curb stop repairs throughout the system. There was one SmartCover alarm at the beginning of April.



There was a significant amount of rain that week which caused increased levels in the manholes of the interceptor around Hoffer Park. There were about five or six days of consistent rain, but the system handled it well and there were no SSO's. Ms. Webb stated that Veolia has not had any SSO's, sewer backups or sewer repairs from February until April.

Ms. Webb explained that the most notable accomplishment for the chemical feed upgrade is that Well 4 was returned to service on March 4, 2024. Veolia worked with PA DEP to get the necessary permitting and returned Well 4 to service at which point Veolia did the Quarter 1 regulatory sampling which included PFAS sampling as well as all other outstanding sampling that needed to be completed. The next well that Veolia will be focusing on is Well 6. There will need to be some upgrades to electrical components, the chemical feed upgrades, and the chlorine analyzer will be upgraded to a CL17. After that, the focus will most likely be moving to Well 5.

Ms. Webb listed the major equipment that is out of service which included Well 3, which is pending DEP approval and installation of a new well pump. There are also several leaks on the stripping tower at well 3 which will require repair. The raw water wet well compactor is also pending repair. The compactor was ordered earlier this year and the contractor should be providing a delivery date shortly. The fine screen repair in the upper headworks is in progress. The parts have been received and the contractors will be completing that repair soon. An end bearing failure occurred in oxidation ditch 1 and was replaced on March 20, 2024. A booster pump suffered a mechanical failure and is pending repair with the contractor.

Ms. Webb went on to explain recent regulatory updates. The lead service line inventory, which is due to the PA DEP on October 16, 2024, needs to include the service line materials of both the customer owned and utility owned portion. A reminder was provided as this topic has been discussed in previous Operating Committee Meetings. More recently, the EPA announced the final rule for the PFAS regulation. The EPA established MCLs for PFOS and PFOA at 4 parts per trillion. PFMA, PFHxS and Gen X were added which all have maximum contaminant levels of 10 parts per trillion. The EPA also included PFBS which will be included in the Hazard Index calculation. The Hazard Index is a calculation where there is a ratio of all the PFAS concentrations and the Hazard index needs to be 1, which is a new aspect to the rule. The PA DEP did not require any testing for Gen X, PFBS, PFMA or PFHxS. The EPA announced the new PFAS rule two weeks prior to the Operating Committee Meeting so additional guidance is expected to be released shortly. For the compliance deadlines, the final rule was published in April of 2024, the initial monitoring needs to happen by April of 2027, and then the compliance deadline takes effect in April of 2029. Ms. Webb explained that the Quarter 1 PFAS testing has been



completed per the PA DEP regulation. All of the PFAS results were compliant under the PA DEP rule, but they will not be compliant under the new EPA rule. When the EPA Rule becomes enforceable, current levels of PFOA at Wells 2, 3, 4, 5 and 6 and PFOS at all wells will be out of compliance. Ms. Webb clarified that even though everything is in compliance currently with the PA DEP regulation, when the EPA regulation does come into effect there will need to be treatment techniques installed for PFOS and PFOA to maintain compliance with the new EPA regulation. With that, PA DEP has released a technical guidance document outlining granular activated carbon as the recommended treatment technique for PFAS removal. It may necessary to conduct a pilot study to evaluate the GAC treatment to be installed. There have been no further updates from PA DEP since release of the EPA regulation regarding what the pilot process is or the permitting process might look like since this is all very new. It was noted that this is a nationwide rule so it is very likely that manufacturers will be pushed to manufacturing limits with this, so action on treatment will need to be taken with enough time to meet the guidelines. Mr. Klinepeter asked if Gen X testing had been done. Ms. Webb answer that since Gen X was not a requirement for the current PA DEP regulation, there had not been testing yet since the EPA regulation had just been announced on April 10, 2024. Mr. Sugarman stated that Middletown Water Joint Venture plans to issue a notice of the change of law because of the new PFAS regulation as well as the lead service line inventory requirement. The notice will outline what preliminary steps will be necessary in order to establish some hard costs/ estimates and what will be required over the next few years to stay in compliance. Ms. Webb asked if there were any additional questions regarding the PFAS regulation or operations updates. There were none.

3. Customer Service Update

Ms. Webb stated that Veolia has started conducting the small meter replacement and testing program for 2024. About 100 small meters have been replaced and there are more appointments actively being scheduled. The same vendor as last year, MeterTek, has been completing the meter replacement and testing. The testing results have come in from the 2023 Meter Replacement and Testing Program with a 95% pass rate for the 280 meters that were replaced. MeterTek was contracted to replace several large meters, one of which was Pineford Village by Main Street. The meter pit needs quite a bit of work. Ms. Webb asked Ms. Rutigliani if MeterTek had shared any specifics with her. Ms. Rutigliani replied that she expects to receive that information soon. Ms. Webb said that she felt that this issue may have to be handled in the same way the Univar meter pit was handled where a new meter pit was installed. In the past when a contractor went out to the location they found that the ladder was not properly fixed to the wall which makes it dangerous to enter. Ms. Webb felt that this needed to



be brought to the attention of the operating committee. The full report is expected to be received shortly, and the findings will be discussed at the next meeting.

Ms. Rutigliani continued with updates for customer service which included that Veolia is in the process of implementing online payments for customers. The expectation is that it should be up and running in about 2-3 weeks. Ms. Rutigliani thanked Mr. Sugarman for the help he provided regarding implementation of online payments and she will provide updates as the process moves ahead.

Ms. Patel spoke to the 2024 revenues year to date as compared to the 2023 year to date revenues. Ms. Patel stated that the revenues are up 12.2% which is comprised of an increase of water consumption of 4.2% for the first quarter plus the 7.3% rate increase that was instituted in January of 2024. The sewer revenue is up 13.4% compared to last year. The sewer volume is up 7.4% combined with the 7.3% rate increase which is driving the sewer revenue increase. Ms. Patel stated that Royalton is trending lower. The consumption is down 16.4% and the revenue is reflective of that. Ms. Patel noted that the water sales surcharge was implemented in March 2024 at 4.6%. Mr. Klinepeter asked if the accuracy of the Royalton meters had been checked due to the fact that consumption is down so significantly Ms. Webb commented that those meters had been tested in late 2023 and explained that Royalton had a large leak in early 2023. The leak was very substantial for two or three months. This caused Royalton's consumption to be elevated at this point last year so the negative percentage is reflective of that, not the meters being inaccurate. Mr. Klinepeter asked if that could be footnoted in future presentations. Ms. Webb answered that it could be done. Ms. Webb asked if there were any additional questions. There were none.

4. Capital Investment & Engineering Report

Mr. Margiolas reviewed the capital projects that are underway in Middletown, starting with the 2018 & 2021 Project. Mr. Margiolas stated that ADA ramps, curbs and sidewalks are fully restored and complete. The only portion left in this project is the pavement and overlay which, due to weather as Ms. Webb had previously mentioned, has been the cause of delay. This work is now expected to be finished in the second week in May 2024. As mentioned in the previous meeting, some customers will see pressure increases of around 30-40 PSI. Based on local plumbing code, any resident that has a PSI nearing 80 will need to install a pressure reducing valve (PRV). Mr. Klinepeter asked if the residents who are affected will be given a warning that the pressures will be changing so there are no issues for them due to a high increase. Ms. Webb explained that the intention is to mail out a letter and also put out door hangers on the residences to insure customers have the best chance of receiving the notice.



Dates will be provided in the communication so they have all the information needed before any pressure increases. Mr. Joyner asked if Veolia will be recommending any specific devices to the residents in the notification. Ms. Webb stated that there will be nothing brand-specific but there will be an explanation of what a pressure reducing valve is and what it does. Mr. Klinepeter asked how many residences will be affected. Ms. Webb stated that the homes that are nearing 80 PSI will be about 15 to 20 properties. Mr. Klinepeter made a suggestion to think about having PRVs available for customers. Ms. Webb stated that doing so had been discussed as well as putting a postcard to mail back acknowledging that customers had received the notice. This does require a lot of communication with residents and the feedback and suggestions are appreciated.

Mr. Margiolas moved on to discuss the 2022 & 2023 Underground Infrastructure Replacement Project. Mr. Margiolas stated that, similar to the last meeting, work is still underway in fully developing the scope of the projects for both the sanitary sewer improvements and the water system improvements. These projects should be wrapped up in the next few weeks. Mr. Margiolas asked if there were any questions on this project. Mr. Klinepeter asked if there could be a spreadsheet developed to specify the streets that have been worked on so as to keep record of historical data of streets being completed due to the fact that the projects have become very large and span multiple years' worth of data. Ms. Webb stated that a record can be kept and provided with the anticipation that, in the future, the work being done will occur within the same year of the project. Ms. Webb stated that Veolia will get a list put together per Mr. Klinepeter's request.

Mr. Margiolas stated that the North Union Street Tank Rehabilitation was the next project to be discussed. The project has been closely coordinated with AT&T (due to their antenna which is located on the top of the tank) along with I.K. Stoltzfus which is doing the rehabilitation work. As a reminder, this tank will require a temporary booster station to be installed. Veolia has received the PA DEP permit for the booster station. The finalized configuration and designs are being worked on to establish what the booster station will look like. AT&T has been working on the corral designs for the antenna installation on the top of the tank. AT&T provided a design that was very robust to a degree where I.K. Stoltzfus thought it might impede their access for the tank restoration. Veolia had a very detailed discussion with AT&T to come up with a compromise on the design and they are working with that currently. It is expected that the revised design will be ready by the end of the week. Once everyone has a chance to review that and is in agreement, work can begin on fabrication of the corral and installation. Mr. Margiolas made note that there was an additional item that had arisen with AT&T, which is that they are planning on installing an emergency generator on this site to support their antenna system. The location of the installation is adjacent to



a small shed that AT&T currently has onsite and is outside the limits of where the tank restoration will take place. AT&T is not planning to start that work until the end of this year and possibly the beginning of next year so the projects should not overlap. It is good to have this information in case there needs to be some coordination around that effort. To summarize Mr. Margiolas stated that the next steps are to have the corral fabricated and installed, the booster station onsite and operational, and then begin the restoration. Mr. Margiolas asked if there were any additional questions. There were none.

Mr. Margiolas moved on to discuss the Headworks Project. The project consists of a few different phases. The washer compactor has been ordered and Veolia is just waiting on the delivery schedule. Keystone Engineering is included in this project and will be performing an analysis on the existing HVAC and boiler system to show its capabilities and to make any recommendations for upgrades or replacement. There are plans to meet with Keystone Engineering next week to begin data collection. Mr. Margiolas stated that the next steps would be, once the washer compactor comes in, to get that installed along with the other rehab work to be done in the wet well. There are plans to rework the existing raw pumps to reduce grit buildup in the motors and replace the raw pump VFDs.

Mr. Margiolas stated that a Middletown Borough Counselor had stopped by Veolia to bring forward several complaints from residents in the Woodland Hills area regarding their water pressure. The Borough Counselor asked if Veolia could install a booster pump station in the area. Herbert, Rowland & Grubic Inc. has experience with similar requests in other systems. Ms. Webb then asked Mr. Klinepeter if he had received any information regarding this issue. Mr. Klinepeter stated that he was aware but had not received any detailed information. Ms. Webb explained that Veolia hasn't received any detailed information either. Mr. Margiolas asked Mr. Mendinsky if he had any comments or recommendations. Mr. Mendinsky stated that the pressures in this portion of the development identified are within the minimum pressure requirements according to PA DEP. PA DEP has specific guidelines with respect to public water systems, which requires a minimum pressure of 20 PSI at ground level at the point of the distribution system. From calculations that HRG has been able to perform, the elevation of this particular portion of the development on Bamboo Way and the operating levels of the tanks, HRG estimated that the pressures would be in the neighborhood of 30 to 35 PSI. HRG along with Veolia are going to get a gauge out there to see if the pressures are consistent with the calculations. HRG believes that it is within the PA DEP allowances but is ready to discuss whether 30 PSI is a suitable pressure or not depending on the needs of the residents. Mr. Mendinsky stated that there are two possible solutions with regards to the booster pumping systems. The first would be to look at something that would be more centralized and would be owned



and operated by the water system providers that could serve a portion of the development or maybe the whole development. This would be a more costly option due to the potential for multiple pumps together with backup power (as examples) to make sure that it is a long term solution suitable for operation. The second option would be the use of individual booster pumps in the homes. The research being done on that option is focused on whether PA DEP would require any permitting or ownership and maintenance by the provider of the system. The challenge would be issues around ownership and maintenance of the individual pumps that would go in the homes and whether or not there are any PA DEP guidelines pertaining to this. The cost for this approach would likely range from about \$2,500 to \$3,000 per individual home just for the pump itself, excluding additional costs for any of the plumbing that would need to be done for pump installation. This option would be the cheaper of the two and would only impact the homes that are being affected by the lower pressures. Mr. Klinepeter commented that, on a prior project in Royalton, booster pumps had been installed in the homes and there was pushback from the residents due to the increase in electricity costs caused by these pumps. While this is the cheaper option, identifying the potential issues should also be taken into account. Mr. Mendinsky stated that this will need to be investigated further before any action is taken. Mr. Margiolas asked if there were any additional questions. There were none.

5. CPI Impact on Future Rate Increase

Mr. Sugarman displayed a graph of the CPI-U for the Northeast Region. Mr. Sugarman stated that the CPI is not finalized until June, so just keeping track over the last month the CPI has picked up a little bit. It was 3.4% which is up from the 2.6% range from the prior month. It seems unlikely that the Fed is going to relax interest rates near-term given this slight uptick. The CPI-U will continue to be monitored through June. Mr. Sugarman asked if there were any questions. There were none.

6. Royalton and Lower Swatara Contract Update

Mr. Correll stated that Water Capital Partners are continuing to work on the analysis for Lower Swatara. There has been some outreach with Royalton as well and there hasn't been anything brought to a conclusion yet. Meetings will take place over the next several weeks. Due to some of the questions that were brought back, there will most likely be a separate discussion with Middletown Borough to make sure that Water Capital Partners' interpretation of the existing past agreements are consistent with Middletown Borough's understanding as well, as negotiations are taking place, particularly with regard to reserved capacity.



7. Community Outreach

Ms. Webb stated that Veolia did an Earth Day cleanup of the Susquehanna Street Park. There was lunch and some cake with the employees at the park and then a litter cleanup on April 22, 2024 for Earth Day. The weather was great for this event and it was an afternoon well spent cleaning up plastic and debris that would otherwise end up in the local waterways. Ms. Webb recognized Ashely Faidley as the winner of most trash collected competition.

8. Other Matters

Ms. Webb started by mentioning that Michael Barger is no longer with Veolia.

9. Review and Approval of Minutes

There ensued a lengthy discussion about the appropriate and customary timeframe for publishing meeting minutes and it was suggested that this matter be jointly addressed off-line by the attorneys for the Borough and Joint Venture.

10. Next Meeting

The next meeting will be scheduled for Tuesday, June 11, 2024, at 10:00 am. Ms. Webb will send the invitation. The meeting was then adjourned.